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space forbids my calling attention to its many merits. This, however, is of comparatively slight moment, for the readers of the *POLITICAL SCIENCE QUARTERLY* may be relied upon to study with appreciative discernment whatever President Andrews may write.

HENRY C. ADAMS.

*A Treatise on the Law relating to Rates and Traffic on Railways and Canals, with special reference to the Railway and Canal Traffic Act, 1888, and the Practice of the Railway and Canal Commission.* By A. KAYE BUTTERWORTH, LL.B., assisted by CHARLES E. ELLIS, B.A. London, Butterworths, 1889. — 8vo, xxx, 264, 165 pp.

*The Railway and Canal Traffic Act, 1888.* By W. A. HUNTER, LL.D., M.P. Part I: *An Exposition of Section 24 of the Act.* London, Sweet and Maxwell, 1889. — 8vo, xv, 212 pp.

*The Working and Management of an English Railway.* By GEORGE FINDLAY. Second edition, revised and enlarged. London, Whittaker and Co., 1889. — 8vo, vi, 300 pp.

*The Railways of England.* By W. M. ACWORTH. Second edition. London, John Murray, 1889. — 8vo, xvi, 427 pp.

*The Public Regulation of Railways.* By W. D. DABNEY. New York, Putnams, 1889. — 8vo, v, 281 pp.

*Monopolies and the People.* By CHARLES WHITING BAKER, C.E. New York, Putnams, 1889. — 8vo, xv, 263 pp.

*Railway Secrecy and Trusts.* By JOHN M. BONHAM. New York, Putnams, 1890. — 8vo, 138 pp.

The act of 1888 marks an important step in the history of English railway policy. The law of 1873 which created the Railway Commission had proved so unsatisfactory that the select committee of 1881 was deluged with complaints, mainly as to classification and local discrimination. Repeated attempts were made by the government to enact a new law designed to meet these difficulties, but the bills introduced year after year were always defeated by the opposition of the companies. The passage of the act of 1888 marks a signal triumph for the force of public opinion, to which the English railways have hitherto been singularly little amenable.

Among the numerous treatises that have sprung up as commentaries on the new law, the two here mentioned are the most significant. Butterworth's *Treatise on the Law relating to Rates and Traffic* is more than it purports to be; for it contains not only the law, but in most cases an interesting historical survey and economic discussion of the principles involved in each particular point. The introductory chapter is devoted

to a concise but clear sketch of canal and railway legislation from the middle of the last century. In the matter of rates Mr. Butterworth divides the history of legislation into three periods: the *tolls* stage (1800–1840) when the only statutory limitation was that placed on tolls; the *rates* stage (1840–1888) when charges for conveyance were also limited; and the *terminals* stage (since 1888) when terminal charges as well as mileage rates and tolls are fixed. The author feels his way carefully through the labyrinth of decisions, and succeeds in drawing a vivid picture of the legislative policy. He gives a similar history and criticism of the subjects of through rates, equality and preference, publication and disintegration of rates. The jurisdiction and procedure of the new Railway and Canal Commission are compared with those of its predecessor, and a chapter is added on the subject of canals. By no means the least valuable part of the book are the appendices given in the second edition (published in the same year). These contain a reprint of all the general railway acts since the law of 1845; valuable specimens of clauses in the earliest and latest special acts; and finally the recent rules and orders of the Board of Trade and of the Railway and Canal Commission. Mr. Butterworth's book will be of especial value to the economist as well as to the lawyer, for it contains the first clear and comprehensive sketch in English of the history and actual state of British legislation on the subject.

Less satisfactory is Hunter's *The Railway and Canal Traffic Act*, 1888. The work is in two volumes of which the first is devoted to the famous section 24, *i.e.* the submission to the Board of Trade of the classification and revision of maximum charges. The second volume, to appear shortly, is to deal with the remainder of the act. Mr. Hunter also gives an historical survey of the matters of classification and maximum rates. He makes more use of the blue books than does Mr. Butterworth, but is unable to arrange his conclusions systematically. The most significant point is the frequent introduction of references to American conditions. The decisions and reports of our Interstate Commerce Commission are repeatedly quoted *in extenso*. Mr. Hunter will be remembered by students as the chief advocate of the cost-of-service theory in the select-committee testimony of 1882. A change seems to have been effected in his views by the decisions of the American commission—for he approvingly cites some of their recent admirable statements which cannot possibly be reconciled with his cost-of-service theory. It may be doubted incidentally whether it is quite correct to describe the American system as “competition tempered by state regulation,” and the British system as “state regulation tempered by competition.” These glittering generalities are not always exact. More than one-half of the book is devoted to a detailed presentation of the classi-

fication and maximum tolls on each of the twenty-five principal lines in Great Britain. This will be welcome material to special students. Mr. Hunter does not seem to have over much confidence in the important section of the new act which gives to the Board of Trade the general superintendence over classification and maximum rates. "The traders," he thinks, "may find out that they will lose much and gain little by the symmetry and uniformity which are to take the place of the chaos of the old special acts." But he does not explain his suspicions.

Findlay's *The Working and Management of an English Railway* deals, as the title implies, primarily with technical and administrative questions, which must be passed over here, however interesting they may be. Mr. Findlay is general manager of the London and North-western line, and the book is accordingly devoted mainly to a description of this road. In the chapter devoted to the law, and to the relations of the state to the railways, the author simply holds a brief for the railways, as is natural in the manager of England's greatest line. He fulminates against state purchase, and looks with a hostile eye on governmental regulation. In the matter of rates he does not attempt to go into the theory, as did Mr. Grierson a few years ago. The most valuable part of the book for American readers is the description of the clearing house and the account of the pools, known as the traffic-rates conferences and percentage divisions of traffic. Those who believe that pooling is unknown in England will do well to read this interesting chapter.

Acworth's *The Railways of England* deals almost entirely with the prodigious changes made in actual railway management from the standpoint of traffic facilities. The purely economic problems in the narrower sense are therefore not touched upon. But the work can be recommended for the vivid picture it gives of recent British achievements in transportation, as compared with those of other countries. The only objection is, as the author himself confesses, that the language used is one of almost absolute panegyric.

On the other hand the recent American works take up a different class of subjects, and reflect the light of our recent experience. In *The Public Regulation of Railways* Mr. Dabney has given us an excellent popular account of pending railway problems. In his former capacity as chairman of the Virginia committee on railways and internal navigation he had ample opportunity to study both sides of the question; and the result is a valuable presentation of the law and the principles that should shape the law. The chapters on the economic aspects of the question in particular are in accord with the latest and most approved theories. On the whole Mr. Dabney favors the value-of-service theory, although not in so one-sided a manner as some apologists

for railway abuses. Classification and discrimination are considered in detail, with the conclusion that pools, carefully regulated by public supervision, afford the best prospect of solving many of our troubles. The recent action of both state and national commissions is reviewed, and it is shown that the interstate commerce law must tend to promote combination. Altogether the book can be heartily recommended, and it will no doubt serve to popularize some rather unpopular views.

The two recent works, Baker's *Monopolies and the People* and Bonham's *Railway Secrecy and Trusts*, deal with much the same class of questions. Many of their conclusions are harmonious. Baker treats not only of railway combinations, but of industrial trusts, monopolies of municipal service and labor unions. He subjects the laws of competition to a lengthy, if not very profound, analysis and concludes that combination is a necessary tendency of modern society. His inference therefore is that it will be useless to attempt to prohibit these various forms of combination; that the only practicable method is to regulate and not to forbid. His practical recommendation in the case of railways is public ownership but private management. The national government should buy out the railways, but should hand them over to certain corporations to be conducted under careful regulations. Had Mr. Baker studied the experience of Italy, Holland and other countries, he would have been led to temper many of his enthusiastic utterances as to the future of such a system. In the case of trusts he confesses the difficulties in the way of public ownership, and contents himself with public regulation. Mr. Bonham, on the other hand, seeks to divide trusts into two classes, according as they have secret agreements with the transportation companies or not. The first class is dangerous, the second class is harmless because it cannot create any lasting monopoly. Such a distinction is of course entirely arbitrary, but it forms the keynote of the monograph. Mr. Bonham, while deprecating any legislative prohibition of pools and trusts as leading to worse and more secret methods, nevertheless opposes the methods of railway pooling and combination as a solution of the problem. He finds that the trouble lies in the secrecy with which the railways are managed. His remedy is absolute publicity. But he confines himself to vague generalizations, and is unduly diffident in setting forth any practical plan.

While neither of these monographs is a very profound exposition of the subject, they are both to be welcomed as showing the gradual spread of sounder ideas among the public. The popular outcry for prohibition of combinations on the one hand, and the very one-sided arguments of railway advocates and unconditional admirers of trusts on the other, have tended to obscure the whole subject. It is refreshing to notice the appearance of saner and more moderate views, even if the argu-

ments be not very penetrating, or the suggested remedies thoroughly satisfactory. It is a great step to have attained the golden mean.

EDWIN R. A. SELIGMAN.

*Grundlegung der theoretischen Staatswirthschaft.* Von Dr. EMIL SAX. Vienna, 1887.

Professor Sax has become well known to the economic world through a series of contributions to the theoretical aspects of economic science. The present book may be considered as a continuation of his work published in 1884: *Wesen und Aufgabe der Nationalökonomie*. In this work he attempts to find an economic basis for what the Germans call *Finanzwissenschaft*. In the author's opinion the science of finance has not up to the present been correlated to political economy. Its so-called principles, so far as they are anything more than convenient rules of thumb, do not rest on an economic basis at all. All the leading writers on the subject have at some point in their expositions abandoned the attempt to find an economic explanation for the facts of taxation, and have had recourse to moral principles or principles of ordinary political expediency. To base taxation upon duty to the state, and to call for taxation according to ability, is at bottom an attempt to explain an economic phenomenon by ethical categories, and rests, moreover, upon a very confused notion of justice. Such a theory is of importance as against the old idea of proportional taxation, but contributes after all but little toward an economic explanation of the phenomena.

The author divides the subject into the following leading topics: 1. The theory of the public economy as a part of theoretical political economy; 2. The various theories as to the economic nature of state activity; 3. The elements of human economy; 4. The general economic categories in the public economy; 5. The collectivistic functions; 6. The groups of collectivistic processes producing value—from which he deduces his "financial principles" or what we might call his "canons of finance."

It will be seen that the author takes a very comprehensive view of the subject, so that what Adam Smith disposed of in a sentence has here grown into a volume of nearly six hundred pages. In his third division he gives a list of the general economic categories and then tries to show how they all reappear in essentially the same form in the life of the state. State activity is not for him something apart from the life of the individual; private activity and public activity are both parts of one and the same process, beginning with, ending in, and having for its sole purpose the satisfaction of the wants of man. On its economic side the state is not an external agency which may determine arbitrarily what it